

004/02/19 : CIA-RDP80B01086A000800070002-6

CONTROL AND COVER SHEET FOR TOP SECRET DOCUMENT

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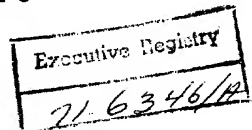
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Next 6 Page(s) In Document Exempt

Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6



PPB (1-1000)

27 DEC 1971

Mr. Dwight A. Ink, Assistant Director  
Office of Management and Budget  
Washington, D.C. 20503

Dear Dwight:

In response to your letter of December 14,  
the Director of Central Intelligence does not expect to  
submit any reorganization proposal, falling under the  
provisions of P.L. 92-179, during the second session  
of the 92d Congress.

15 MAR 22 A 15 30

Sincerely,

L. K. White  
L. K. White  
Executive Director-Comptroller

O/PPB, [redacted] hg 21 Dec 71

Distribution:

Orig & 1 - Addressee via PPB

1 - ExDir

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1 - PPB Subj (MICS)

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1 - PPB Reading

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OMIB

77-6049/A

15 NOV 2 11 30

17 December 1971

Mr. Dwight A. Ink, Assistant Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Dwight:

We are in general agreement with the principles and definitions set forth in the proposed revisions to OMB Circular A-44, dated 29 November 1971. It is more incisive and does treat as one interrelated requirement, three reports.

I do note that the total OMB reporting requirement, to reflect management improvements and cost reduction, still will require seven separate and highly detailed reports. I would hope your staff could take another look at this aspect of the Circular before it is finally issued.

Sincerely,

L. K. White

L. K. White

Executive Director-Comptroller

O/PPB [redacted] 13 Dec 71  
Retyped for changes: CABriggs/mru [redacted] (16 Dec 71)

Distribution:

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1 - PHH Chrono  
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1 - MICS

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Mr. Dwight A. Ink, Assistant Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Dwight:

We are in general agreement with the principles and definitions set forth in the proposed revisions to OMB Circular A-44, dated 29 November 1971. It is more incisive and does treat as one interrelated requirement, three reports.

I do note that the total OMB reporting requirement, to reflect management improvements and cost reduction, still will require seven separate and highly detailed reports. I would hope your staff could take another look at this aspect of the Circular before it is finally issued.

Sincerely,

L. K. White  
Executive Director-Comptroller

O/PPB/[ ] hg:13 Dec 71  
Retyped for changes: CABriggs/mru [ ] (16 Dec 71)  
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<b>TRANSMITTAL SLIP</b>		DATE
<b>TO:</b> ExDir		
ROOM NO.	BUILDING	
<b>REMARKS:</b>  Suspense due today.  ER  <i>Letter prepared 12/17/71</i>		
<b>FROM:</b>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)

NOV 29 1971

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

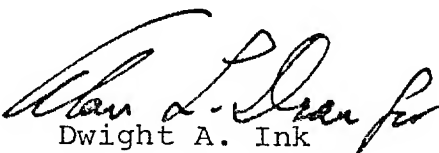
Subject: Draft Revision of OMB Circular No. A-44

We are in the process of revising OMB Circular No. A-44. This action will complete interim steps implemented in the February 16, 1970, revision of Circular No. A-44 by:

- Establishing an annual program through which OMB, departments and agencies will systematically review program operations at all levels;
- Focusing management improvement efforts on the achievement of continuing improvement in program operations; and
- Integrating requirements for management review and improvement under one program with a single annual report of plans and accomplishments to be submitted to OMB.

The enclosed draft revision covers all applicable statutory requirements and reflects comments received on earlier informal drafts from members of the Executive Officers Group and the Agency Management Analysis Officers Group. Our target is to issue this revision by January 31, 1972. We will work with the departments and agencies to achieve full implementation of the revision by July 1, 1972.

We would appreciate receiving your comments on the enclosed draft by December 20, 1971.

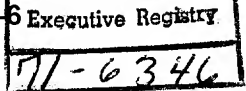
  
Dwight A. Ink  
Assistant Director

Enclosure

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TO	NAME AND ADDRESS	DATE	INITIALS
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	APPROVAL	DISPATCH	RECOMMENDATION
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	CONCURRENCE	INFORMATION	SIGNATURE
<b>Remarks:</b>  <p style="text-align: center;">For your review and appropriate action, i. e., consult ExDir on your response or prepare one for his signature. Is it conceivable that some feature of this Circular may be applied to the community?</p> <p style="text-align: right;">Suspense: 16 December 1971</p>			
FOLD HERE TO		TO SENDER	
FROM: NAME, ADDRESS		NO.	DATE
O/Executive Director		7D59	2 Dec 71
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## EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 14 1971

Mr. Richard Helms  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

YPTD-523 P 1/1  
JMB

Dear Mr. Helms:

The President on December 10, 1971 approved H.R. 6283 (Public Law 92-179) extending the period in which the President may transmit to the Congress plans for the reorganization of agencies in the Executive Branch of the Government to April 1, 1973. Section 901(c) of P.L. 92-179 provides that the President shall from time to time examine the organization of all agencies and shall determine what changes are necessary to carry out any policy set forth in the purpose section, (subsection 901(a)), of the law. Accordingly, the Office of Management and Budget is, currently reviewing reorganization proposals that the President may wish to transmit to the second session, 92d Congress. Please advise this Office of any proposals you deem desirable for reorganization plan action by the President. Your recommendations should be forwarded to this Office at the earliest practicable date, and in any event before January 10, 1972. Questions regarding this inquiry may be directed to Mr. Earl Radley, Code 103, extension 4756. In Mr. Radley's absence, questions may be directed to Mr. Charles F. Bingman, Chief, Government Organization Branch, Organization and Management Systems Division, Code 103, extension 4527.

In view of the President's Departmental Reorganization Program proposals and other proposals that may be before the Government Operations Committees during 1972, the Committees will probably have very heavy workloads. The recently passed bill limits the number of plans which the President may submit to the Congress to not more than one plan within any period of 30 consecutive days. In addition, the Congress may adjourn earlier in 1972 than in 1971. Consequently, great care needs to be exercised in the selection of plans and the proposed timing of their submittal to the Congress. Therefore, as a

1 for 72 Suspense

part of your response please state the reasons it is important to submit each particular proposed plan during 1972 and the month or months that you believe appropriate for submittal and the reasons for the month(s) selected.

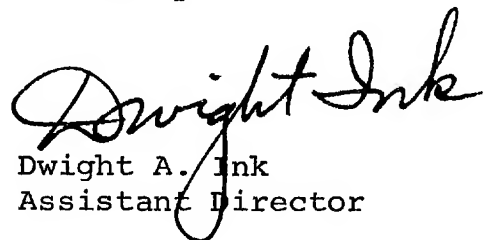
Prior to submitting a plan you should review the provisions of Chapter 9, United States Code as amended by P.L. 92-179. Plans should, of course, be consistent with the President's Departmental Reorganization Program. You should also consider whether any measures contained in your legislative program could be effected more expeditiously by the reorganization plan procedure than by conventional legislation.

The authority under which the President transmits reorganization plans is contained in Chapter 9 of Title 5 of the United States Code (Executive Reorganization), as amended by P.L. 92-179. Under this statute five basic types of actions, termed "reorganizations," may be included in a reorganization plan. These are the (1) transfer, (2) consolidation, (3) coordination, or (4) abolition of the whole or any part of any agency or of the functions of any agency, and (5) authorization of any officer to delegate any of his functions.

In addition, several other types of actions by reorganization plan are authorized when incident to any of the five basic reorganizations. These incidental actions are (a) changing the name of an agency or the title of its head, (b) providing for the appointment and compensation of officers made necessary by a reorganization, (c) providing for the transfer or other disposition of related personnel, property, and records, (d) providing for the transfer of unexpended balances of related appropriations and other funds, and (e) providing for terminating the affairs of an agency abolished by a reorganization plan.

Your prompt consideration of this matter would be appreciated.

Sincerely,

  
Dwight A. Ink  
Assistant Director

December 1971

AGENCIES TO RECEIVE LETTER INVITING  
RECOMMENDATIONS FOR REORGANIZATION PLAN ACTION

ACTION

Advisory Commission on Intergovernmental Relations

Agency for International Development

Agriculture, Department of

American Battle Monuments Commission

Appalachian Regional Commission

Atomic Energy Commission

Canal Zone Government

Central Intelligence Agency

Civil Aeronautics Board

Commerce, Department of

Commission on Civil Rights

Commission of Fine Arts

Council of Economic Advisers

Defense, Department of

District of Columbia

Environmental Protection Agency

Environmental Quality Council

Equal Employment Opportunity Commission

Export-Import Bank of the United States

Farm Credit Administration  
Federal Communications Commission  
Federal Deposit Insurance Corporation  
Federal Home Loan Bank Board  
Federal Maritime Commission  
Federal Mediation and Conciliation Service  
Federal Power Commission  
Federal Reserve System  
Federal Trade Commission  
Foreign Claims Settlement Commission of the United States  
General Services Administration  
Health, Education, and Welfare, Department of  
Housing and Urban Development, Department of  
Indian Claims Commission  
Interior, Department of the  
Interstate Commerce Commission  
Justice, Department of  
Labor, Department of  
National Aeronautics and Space Administration  
National Aeronautics and Space Council  
National Capital Planning Commission

National Endowment for the Arts  
National Endowment for the Humanities  
National Labor Relations Board  
National Mediation Board  
National Oceanic and Atmospheric Administration  
National Science Foundation  
National Security Council  
Office of Economic Opportunity  
Office of Emergency Preparedness  
Office of Intergovernmental Relations  
Office of Science and Technology  
Office of Telecommunications Policy  
Panama Canal Company  
Railroad Retirement Board  
Renegotiation Board  
Securities and Exchange Commission  
Selective Service System  
Small Business Administration  
Smithsonian Institution  
State, Department of

Subversive Activities Control Board

Tennessee Valley Authority

Trade Negotiations, Special Representative for

Transportation, Department of

Treasury, Department of the

U. S. Arms Control and Disarmament Agency

U. S. Civil Service Commission

United States Information Agency

United States Tariff Commission

Veterans Administration

Water Resources Council

DEC 17 10 55 AM '71

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<p>FOR PREPARATION OF A RESPONSE FOR EXDIR'S SIGNATURE.</p> <p>SUSPENSE: 1 JAN</p>			
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Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

SECRET

Executive Registry
71-5314/1

COMING

PPB 71-1735

1 R. 71-0266

17 November 1971

1072-5037

MEMORANDUM FOR: Assistant to Executive Director

SUBJECT: Guidelines for Issuance of Regulations and Procedures Implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646)

1. In our response of 29 October 1971, we indicated that we did not issue interim regulations and procedures implementing the Uniform Assistance and Real Property Acquisition Policies Act of 1970 since the acquisition of real property by this Agency would normally be through the General Services Administration or the Department of Defense.

2. The letter dated 21 October 1971 (ER 71-5314) transmitting a draft OMB Circular was answered on 1 November 1971 by calling Mr. John Spock of the OMB Inter-Agency Task Force and informing him that we did not have any comments on the proposed circular.

3. Assuming that the circular is issued in present draft form, we will need to designate a representative on the Relocation Assistance Advisory Committee to be responsible for coordinating any of our relocation activities. The Office of Logistics recommends that we designate GSA and DOD. This will be confirmed if necessary when the circular is issued in final form.

25X1

Attachments



OMB

SECRET

Excluded from automatic downgrading and declassification
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SENDER WILL CHECK ( )		CLASSIFICATION TOP AND BOTTOM	
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	<b>CONCURRENCE</b>	<b>INFORMATION</b>	<b>SIGNATURE</b>
<b>Remarks:</b>			
<p>Please prepare a coordinated response for the Acting Executive Director's signature. It might be possible to bring this into relationship with OMB's memorandum dated 30 August 1971 (ER 71-4566) requesting a report by 1 November. Please call me.</p>			
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<b>FOLD HERE</b>		<b>INDEX</b>	
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O/Executive Director		59	22 Oct 71

Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6  
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Executive Registry

OCT 21 1971

PPB

71-1613

Honorable Richard Helms  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

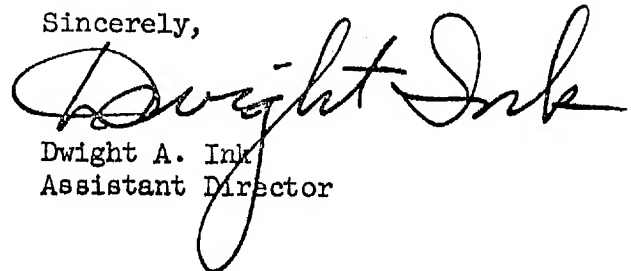
Dear Mr. Helms:

Attached is a proposed Office of Management and Budget Circular prepared by the Inter-agency Task Force which would prescribe revised Guidelines for use by all Federal agencies in issuing regulations and procedures implementing the Uniform Assistance and Real Property Acquisition Policies Act of 1970. The Circular would also establish the Relocation Assistance Advisory Committee prescribed by the President's Memorandum of January 4, 1971, concerning implementation of the Act.

The revised Guidelines expand Chapter 9 to provide detailed instructions for the annual report required by Section 214 of the Act and add new chapters 11 and 12, which prescribe uniform definitions and require the establishment of administrative review procedures. In addition, the Guidelines are expanded to clarify provisions of the Interim Guidelines identified by the agencies and public interest groups as problem areas and to assure greater uniformity in agency regulations. All revisions to the Interim Guidelines are identified in a summary of revisions included in the proposed Circular.

We would appreciate receiving your comments on the proposed Circular not later than close of business November 8, 1971.

Sincerely,

  
Dwight A. Ink  
Assistant Director

Attachment

SECRET

Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

71-1735  
11 NOV 1971

MEMORANDUM FOR: Director of Planning, Programming, and Budgeting

ATTENTION :

SUBJECT : Coordinator for CIA Relocation Activities with the  
Office of Management and Budget

REFERENCES : (a) Memo dtd 28 Oct 71 to ExDir-Compt fm D/PPB;  
Subject: Uniform Relocation Assistance and  
Land Acquisitions Act of 1970

(b) Ltr dtd 29 Oct 71 to OMB fm DCI; Re: same  
subject as Ref. (a)

(c) OMB memo dtd 21 Oct 71 with Draft Circular  
Attachment; Re: same subject as Ref. (a)

1. Reference (a) reasoned that the provision of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (P. L. 91-646) was not directly applicable to the Agency since it was our normal practice to acquire land through the General Services Administration (GSA) or the Department of Defense (DOD).

2. Reference (b) informed the Office of Management and Budget (OMB) of our position and stated that we did not plan to issue regulations on the Act since our acquisitions would be through the above-mentioned channels.

3. Reference (c) advised that OMB was establishing an Inter-Agency Advisory Committee consisting of representatives of various Federal agencies. In addition, those agencies not represented on the Committee were requested to designate a representative who would be responsible for coordinating their agency's relocation activities with OMB.

4. In view of our position, cited in References (a) and (b), it is suggested that OMB be informed that, since any land acquisition will be through GSA or DOD mechanisms, these agencies will act as our representatives for any specific land acquisition and we will abide by their respective policies and procedures. Further, O/PPB will notify OMB of any acquisitions the Agency may be contemplating and inform them at that time of the particular channel or mechanism by which we propose to acquire it.

Signed: John F. Blake

John F. Blake  
Director of Logistics

cc: DD/S  
OGC

OL 1 6030

Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

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**Remarks:**

Please prepare a coordinated response for the Acting Executive Director's signature. It might be possible to bring this into relationship with OMB's memorandum dated 30 August 1971 (ER 71-4566) requesting a report by 1 November. Please call me.

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O/Executive Director		22 Oct 71	
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FORM NO. 1-67

237

Use previous editions

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ER:

Suspense 4 November 1971; please.

sfc

MEMORANDUM FOR: M/R

Per Gini in O/PPB, our response to  
71-5314 was handled orally and was negative.

shirley

11 November 71

( See info at 11/11/71  
from [redacted] to  
EA/LSR. )

(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20503

OFFICE OF THE DIRECTOR

71-4566/A

29 OCT 1971

The Honorable George P. Shultz, Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

This letter is in response to your memorandum dated 30 August 1971 to Heads of Departments and Agencies concerning the initial Annual Report on the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL-91-646).

We did not issue interim regulations and procedures concerning the Act since the rare acquisition of real property by this Agency is usually done through the General Services Administration or the Department of Defense in compliance with regulations and procedures issued by these Agencies.

We do not have any further comments or reporting on the effectiveness of the Act at this time.

Sincerely,

/s/ Richard Helms

Richard Helms  
Director of Central Intelligence

O/PPB/PW/ [redacted] cs (29 Oct 71)

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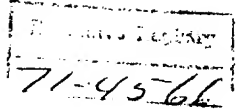
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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET.

WASHINGTON, D.C. 20503



August 30, 1971

MEMORANDUM TO THE HEADS OF DEPARTMENTS AND AGENCIES

Subject: Initial Annual Report required by Section 214  
of the Uniform Relocation Assistance and Real  
Property Acquisition Policies Act of 1970  
(P.L. 91-646)

The Interim Guidelines prepared by the Interagency Task Force and issued by the Office of Management and Budget on February 27, 1971, have served as the basis for agency interim regulations and procedures permitting early payments to persons displaced by Federal and federally-assisted programs, consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the President's letter of January 4, 1971. Issuance of the Interim Guidelines and agency interim regulations completed the initial phase in the implementation of the Act.

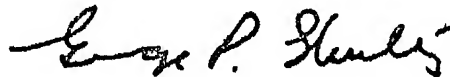
The Task Force has been reconvened to provide leadership for the next phase of the implementation of the Act. A matter of immediate urgency is the development of a system to enable the President to present to the Congress, by January 15, 1972, the reports of each agency, together with his comments or recommendations, as prescribed by Section 214 of the Act.

Agency reports must be reviewed to permit a meaningful evaluation of the present and projected impact of the Act. Accordingly, you are requested to submit your report not later than November 1, 1971, to the Office of Management and Budget, Organization and Management Systems Division, Room 9236, New Executive Office Building, Washington, D. C. 20503. Instructions for the preparation of this initial report are attached. The final guidelines which will be issued by OMB will contain additional requirements for future reports.

2

The Interagency Task Force will collate the reports of the individual agencies. Members of that group are available to answer questions concerning agency input, and may be reached at 395-3937.

Thank you for your cooperation.



Director

Attachment

INITIAL REPORT

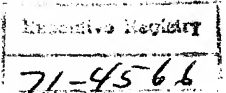
Uniform Relocation Assistance and Real Property  
Acquisition Policies Act of 1970  
(P.L. 91-646)

The initial report shall be prepared to cover the period from January 2, 1971, through June 30, 1971, and will be submitted to the Office of Management and Budget not later than November 1, 1971. The report will be limited to a general narrative briefly reporting on the following:

- (a) Agency's comments on the effectiveness of the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 assuring the availability of comparable replacement housing, which is decent, safe and sanitary for displaced homeowners and tenants.
- (b) Describe the agency's actions taken to achieve the objectives of the policies of Congress, declared in the Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by or having real property taken for Federal or federally-assisted programs.
- (c) Describe the agency's progress in achieving its objectives pursuant to the Act in the various programs conducted or administered by the agency and among the other Federal agencies. Enumerate the States which are presently in compliance with the Act. If compliance by any State does not extend to all federally-assisted programs conducted or administered by the agency, the excepted programs should be indicated and an explanation furnished of the basis of the State's inability to comply. In all such instances, the expected date for full compliance shall be included.
- (d) Describe any indicated effects of such programs and policies on the public.

- (e) Agency's recommendations, supported by appropriate documentation, concerning actions to be taken for further improvement in relocation assistance and land acquisition program policies, and implementing laws and regulations relative to amendments or revision to the following:
  - (1) Office of Management and Budget Guidelines
  - (2) Federal Legislation
- (f) The report should indicate the date interim regulations were published and date subagencies issued interim policies and procedures, if any required.
- (g) If any waivers of assurance of replacement housing were given under Section 205(c)(3) of the Act and paragraph 2.1c of the OMB guidelines the report should set forth the circumstance and shall be supported by the appropriate findings and the determination of the necessity for the waiver.

**EXECUTIVE OFFICE OF THE PRESIDENT**  
**OFFICE OF MANAGEMENT AND BUDGET**  
WASHINGTON, D.C. 20503



August 30, 1971

YR 71-212/3  
with House

MEMORANDUM TO THE HEADS OF DEPARTMENTS AND AGENCIES

71-5314  
OMB

Subject: Initial Annual Report required by Section 214  
of the Uniform Relocation Assistance and Real  
Property Acquisition Policies Act of 1970  
(P.L. 91-646)

The Interim Guidelines prepared by the Interagency Task Force and issued by the Office of Management and Budget on February 27, 1971, have served as the basis for agency interim regulations and procedures permitting early payments to persons displaced by Federal and federally-assisted programs, consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the President's letter of January 4, 1971. Issuance of the Interim Guidelines and agency interim regulations completed the initial phase in the implementation of the Act.

The Task Force has been reconvened to provide leadership for the next phase of the implementation of the Act. A matter of immediate urgency is the development of a system to enable the President to present to the Congress, by January 15, 1972, the reports of each agency, together with his comments or recommendations, as prescribed by Section 214 of the Act.

Agency reports must be reviewed to permit a meaningful evaluation of the present and projected impact of the Act. Accordingly, you are requested to submit your report not later than November 1, 1971, to the Office of Management and Budget, Organization and Management Systems Division, Room 9236, New Executive Office Building, Washington, D. C. 20503. Instructions for the preparation of this initial report are attached. The final guidelines which will be issued by OMB will contain additional requirements for future reports.

OMB

2

The Interagency Task Force will collate the reports of the individual agencies. Members of that group are available to answer questions concerning agency input, and may be reached at 395-3937.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Eugene P. Hendley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Director

Attachment

INITIAL REPORT

Uniform Relocation Assistance and Real Property  
Acquisition Policies Act of 1970  
(P.L. 91-646)

The initial report shall be prepared to cover the period from January 2, 1971, through June 30, 1971, and will be submitted to the Office of Management and Budget not later than November 1, 1971. The report will be limited to a general narrative briefly reporting on the following:

- (a) Agency's comments on the effectiveness of the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 assuring the availability of comparable replacement housing, which is decent, safe and sanitary for displaced homeowners and tenants.
- (b) Describe the agency's actions taken to achieve the objectives of the policies of Congress, declared in the Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by or having real property taken for Federal or federally-assisted programs.
- (c) Describe the agency's progress in achieving its objectives pursuant to the Act in the various programs conducted or administered by the agency and among the other Federal agencies. Enumerate the States which are presently in compliance with the Act. If compliance by any State does not extend to all federally-assisted programs conducted or administered by the agency, the excepted programs should be indicated and an explanation furnished of the basis of the State's inability to comply. In all such instances, the expected date for full compliance shall be included.
- (d) Describe any indicated effects of such programs and policies on the public.

- (e) Agency's recommendations, supported by appropriate documentation, concerning actions to be taken for further improvement in relocation assistance and land acquisition program policies, and implementing laws and regulations relative to amendments or revision to the following:
  - (1) Office of Management and Budget Guidelines
  - (2) Federal Legislation
- (f) The report should indicate the date interim regulations were published and date subagencies issued interim policies and procedures, if any required.
- (g) If any waivers of assurance of replacement housing were given under Section 205(c)(3) of the Act and paragraph 2.1c of the OMB guidelines the report should set forth the circumstance and shall be supported by the appropriate findings and the determination of the necessity for the waiver.

MEMORANDUM FOR: ER

Please place in  
suspense for 15 Oct 1971.

Thanks,  
sf  
9/2/71

(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

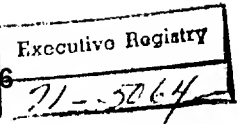
(47)

TRANSMITTAL SLIP		DATE
TO: ExDir ER		
ROOM NO.	BUILDING	
REMARKS:		
<p><del>Suspense due today</del></p> <p>Herewith is your ref material; response 71-4566/A is on reading board. Believe <span style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;"></span> should be XR to this.</p> <p>Thanks, sf</p>		
FROM:		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241 REPLACES FORM 36-8  
1 FEB 55 WHICH MAY BE USED.

(47)

STAT



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

October 5, 1971

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

SUBJECT: Agency regulations, standards, and guidelines  
pertaining to environmental quality, consumer  
protection, and occupational and public health  
and safety

This memorandum is to establish a procedure for improving the interagency coordination of proposed agency regulations, standards, guidelines and similar materials pertaining to environmental quality, consumer protection, and occupational and public health and safety. This procedure will apply to all such materials proposed for issuance by any executive department or agency other than the regulatory boards or commissions listed in the attachment which could be expected to:

- . have a significant impact on the policies, programs, and procedures of other agencies; or
- . impose significant costs on, or negative benefits to, non-Federal sectors; or
- . increase the demand for Federal funds for programs of Federal agencies which are beyond the funding levels provided for in the most recent budget requests submitted to the Congress.

To implement this procedure, agencies covered by this procedure are to submit to the Office of Management and Budget by October 25, 1971:

- . a schedule, classified where possible according to the above criteria, covering the ensuing year showing estimated dates of future announcements of all proposed and final regulations, standards, guidelines or similar matters in the subject areas shown above;

OMB

- . the name of an agency official who will be responsible for your agency's participation in the coordination process and who will serve as the primary contact point with the Office of Management and Budget and other agencies for all matters pertaining to this procedure.

Schedules described above should be updated monthly and submitted by the first of each month beginning December 1, 1971. Schedules should indicate whether the proposed actions are specifically required by statute and whether the scheduled announcement date is set by statute.

Proposed and final regulations, standards, guidelines, and similar actions meeting the criteria outlined above should be submitted to the Office of Management and Budget at least 30 days prior to their scheduled announcement. The regulations should be accompanied by a summary description indicating:

- . the principal objectives of the regulations, standards, guidelines, etc.;
- . alternatives to the proposed actions that have been considered;
- . a comparison of the expected benefits or accomplishments and the costs (Federal and non-Federal) associated with the alternatives considered; and
- . the reasons for selecting the alternative that is proposed.

As a part of its role in the interagency coordination process, the Office of Management and Budget will receive copies of proposed regulations and similar materials from departments and agencies, distribute those materials to other agencies affected, collect comments and provide them to the agency proposing the regulation for its information.

A continuing effort will be needed to simplify the reporting and coordination procedures called for in this memorandum and to focus upon the most significant actions. It may be possible, for example, to eliminate certain categories of regulations, standards or guidelines that would otherwise be included in the criteria outlined above. In this regard, and in implementing the general provisions of this memorandum, agencies are to work with the OMB Assistant Directors and Program Divisions with which they normally deal on program and budget matters.



Director

Memorandum, Office of Management  
and Budget, October 5, 1971

Attachment

Civil Aeronautics Board  
Federal Communications Commission  
Federal Maritime Commission  
Federal Power Commission  
Federal Trade Commission  
Federal Tariff Commission  
Interstate Commerce Commission  
Securities and Exchange Commission

SEN 1 WILL CHECK CLASSIFICATION TOP AND BOTTOM			
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	The Executive Director		<i>[initials]</i>
2	<i>PPB</i>		
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks: <i>Please check with Fry and confirm that we can ignore this</i>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME.		DATE	
		6 OCT 1977	
UNCLASSIFIED		SECRET	

FORM NO. 1-67

237

Use previous editions

(40)

STAT

OFFICE OF MANAGEMENT AND BUDGET  
Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

TO Mr. L. K. White

- Take necessary action ☐  
Approval or signature ☐  
Comment ☐  
Prepare reply ☐  
Discuss with me ☐  
For your information ☐  
See remarks below ☐

FROM Dwight A. Ink

DATE Sept. 21, 1971

REMARKS

Although the time is short, I'd like to bring to your attention the attached flyer describing the upcoming ASPA Conference.

I realize that times are tough, but I'm sure that you would agree that professional development should continue.

This conference has a year's effort of planning behind it. Your support is needed to make it a success. I hope that you will encourage employees in your organization to attend.

Many thanks.

MAJOR ADDRESSES  
Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6  
KEYNOTE ADDRESS - THURSDAY, SEPTEMBER 30, 1971 (9:00 a.m.)  
Honorable Morris K. Udall  
House of Representatives

LUNCHEON ADDRESSES - THURSDAY, SEPTEMBER 30, 1971 (12:45 p.m.)  
Arnold Weber  
Executive Director, Cost of Living Council  
(Formerly - Associate Director, Office of Management & Budget)

FRIDAY, OCTOBER 1, 1971 (12:45 p.m.)  
Honorable Walter Washington  
Mayor, District of Columbia

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Vice Chairman, U. S. Civil Service Commission

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- 5:00 p.m. Rap Session Over Sandwiches and Beer  
(Cost not included)  
6:15 p.m. "Focus on Bureaucracy"  
(A dramatic presentation by the Back Alley Theater)  
7:15 p.m. Panel Discussion on Presentation

Registration Fee: ASPA Members - \$40	Non-Members - \$50	Full-Time Student - \$20
LUNCHEONS INCLUDED	TWO DAY RESERVATIONS ONLY	

*Agency-sponsored registration of Federal employees for the Annual ASPA Conference is authorized by section 9 of the Government Employees Training Act (United States Code, title 5, Chapter 41). Meals are directly incident to the total training program.*

REGISTRATION FOR ANNUAL ASPA CONFERENCE:

"PUBLIC ADMINISTRATION - A TIME FOR CHANGE"

Return by September 17 to:

Dr. Albert G. Maltz  
Conference Manager  
11701 Tifton Drive  
Potomac, Maryland 20854

Check one: ☐ ASPA Member ☐ Non-Member ☐ Full-Time Student

Check one: ☐ Registration fee enclosed in amount of \$ \_\_\_\_\_  
(Check payable to: "American Society for Public Administration - NCAC")  
☐ Agency Billing Authorization enclosed

NAME ..... OFFICE TELEPHONE NO. ....

Mailing Address .....

CITY/STATE ..... ZIP .....

AGENCY/ORGANIZATION or SCHOOL .....

Panels in which I am most interested:

Thursday	A.M. # _____	Friday	A.M. # _____
	P.M. # _____		P.M. # _____

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# PROGRAM PANELS

## LABOR MANAGEMENT RELATIONS IN GOVERNMENT

W. Verne Gill - Federal Labor Relations Council  
 William C. Valdes - Department of Defense  
 John F. Griner - American Federation of Govt. Employees  
 Louis Wallerstein - Department of Labor

## UNIVERSAL HIGHER EDUCATION - A GOAL TO BE SOUGHT?

William Cannon - University of Chicago  
 Frank Newman - Stanford University  
 Alexander Astin - American Council on Education

## THE IMPACT OF THE D. C. CRIME BILL

Blair Ewing - Office of the Mayor, D.C. Government  
 Geoffrey Alprin - D.C. Metropolitan Police Department  
 Winifred Thompson - Department of Human Resources  
 Kenneth Hardy - Department of Corrections  
 Luke Moore - Assistant U.S. Attorney  
 Nancy Wynstra - D.C. Superior Court  
 Petey Green - United Planning Organization (Ex-Convict)

## ENVIRONMENTAL MANAGEMENT AND ENFORCEMENT-

### AN ACTION REPORT IN A TIME OF CHANGE

E. Winslow Turner - United States Senate Staff  
 Edmond Rovner - Economic & Community Development, Md.  
 Dr. James A. Foy - Massachusetts Institute of Technology

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Alan L. Dean - President's Dept. Reorganization Program  
 Andrew M. Rouse - Arthur D. Little, Inc.  
 Herbert Roback - House of Representatives Staff  
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Schuyler Lowe - Washington Met. Area Transit Authority  
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## TOWARD TOMORROW'S PUBLIC ADMINISTRATION

George Fredrickson - Syracuse University  
 Frank Marini - Syracuse University  
 Eugene McGregor - University of Maryland  
 Stephen Chitwood - George Washington University  
 Michael Harmon - George Washington University

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 David Dominick - Environmental Protection Agency  
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 Seymour Berlin - U.S. Civil Service Commission

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Dr. Arthur Flemming - President's Commission on Aging  
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 Joseph Young - Star, Evening & Sunday Newspaper

## INTERNATIONAL ECONOMIC AFFAIRS - CHANGING

### CONDITIONS AND DIFFERING PERSPECTIVES

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 Jacob Javins - United States Senate  
 Harold B. Scott - Department of Commerce  
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 Raymond Loanes - Department of Agriculture  
 Robert Wiedorowski - Internat'l Bank for Reconstr. & Dev.  
 Richard Allen - Council for Internat'l Economic Policy,  
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 Henry Reuss - House of Representatives  
 William Spring - United States Senate Staff  
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 Bruce Davis - Georgetown University  
 John Gunther - U.S. Conference of Mayors  
 John Petersen - Investment Bankers Association

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 George B. Hartzog, Jr. - National Park Service  
 Dr. C.V. Burgess - Kenecott Copper Corporation

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STAT

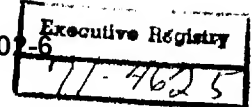
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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



September 3, 1971

TO THE HEADS OF DEPARTMENTS AND AGENCIES

Subject: Agency views on enrolled bills

As you know, this Office requests written views and recommendations from departments and agencies on enrolled bills. The analysis and comments in these views letters make an essential contribution to the enrolled bill review.

Under long-standing instructions (OMB Circular A-19), the views letters are to contain an analysis of the principal features of the bill (if the agency has a primary interest) and such comparisons, comments, criticisms, cost estimates, or special considerations as will be helpful to the President in deciding what his action should be. They are due within 48 hours from the time they are requested.

You will agree with me, I am sure, that these requirements as to content and timing of views letters are essential to an orderly and comprehensive analysis of enrolled bills. Unfortunately, a number of agencies have been sending letters which do not provide the necessary analysis and comment or which have arrived so late as to lessen their usefulness.

I know that it requires the combined efforts of agency policy officials and agency program, operating and financial staff to produce these views letters. An expression to your staff of your personal interest in the quality and timeliness of these letters would therefore be most helpful. May I urge your cooperation in this matter.

A handwritten signature in cursive script, reading "George P. Shultz".

GEORGE P. SHULTZ  
DIRECTOR

Executive Registry

171-4052

28 July 1971

Dear Jim:

Please accept my belated congratulations on your new assignment. This, indeed, should be a challenging and exciting job.

We have enjoyed working with you during your tenure at OMB and hope that our paths may cross again sometime.

Best wishes for much success.

Sincerely,

(SIGNED) IN RED IN

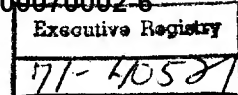
L. K. White  
Executive Director-Comptroller

Mr. James R. Schlesinger  
Assistant Director  
Office of Management and Budget  
Washington, D. C. 20503

LKWhite:ji  
Original - Addressee  
① - ER  
1 - ExDir

OMB

UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545



August 24, 1971

OFFICE OF THE CHAIRMAN

Mr. L. K. White  
Executive Director - Comptroller  
Office of the Director  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Red:

Thank you very much for your note of congratulations. I am looking forward to the challenges of my new position and appreciate your good wishes for my success. Our association in the past has been most pleasant and I, too, am hopeful that we will have the opportunity to work together in the future.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Schlesinger".

James R. Schlesinger

71-2910/A

PPB 71-0835

21 JUN 1971

Mr. Arnold R. Weber, Associate Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Weber:

Thank you for your letter of 24 May and the opportunity to comment on the McKinsey Study Report.

A number of the ideas contained in the report have been under exploration for application in our own internal program review process and therefore any restructuring of the planning and budgeting system on a government-wide basis, consistent with the report, should not pose any great problem to this agency. Should the McKinsey approach be taken, I would anticipate certain changes might be required in our program structure but they would be modest. I would see little impact on our evaluation and accounting systems which already incorporate the McKinsey Study principles.

Sincerely,

(s) L. K. White

L. K. White  
Executive Director-Comptroller

O/PPB/JMClarke: vdm 17 June 1971

Distribution:

orig and 1 - addressee *via/O PPB*

① - ER

1 - ExDir

1 - PPB subject (MICS)

1 - reading

1 - PHH

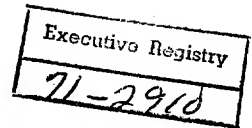
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*OMB*

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



MAY 24 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: McKinsey report on strengthening program planning,  
budgeting and management in the Federal government

As you may know, OMB in conjunction with McKinsey and Company, Inc. has been working with the Departments of Agriculture, Commerce and Labor to pilot test proposed changes in OMB and agency administrative processes to strengthen program planning, budgeting and management. Enclosed for your information are copies of the final reports of this effort submitted by the contractor as well as comments from the test departments and the Comptroller General.

The Department of Agriculture and the Department of Commerce have taken subsequent steps to broaden implementation of the recommendations on other program areas. I would like to have your judgments on the potential merits or problems of implementing the principles and processes recommended within your organization.

I would appreciate receiving your comments by June 30, 1971.

A handwritten signature in cursive script, appearing to read "Arnold R. Weber".

Associate Director

Enclosures

OMB

18 June 1971 [Signature]



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

January 29, 1971

Honorable George P. Shultz  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

Thank you for your letter of December 31, 1970, transmitting copies of the final report of the pilot study of the USDA housing programs and the OMB staff recommendations for further action.

The USDA pilot study has been a useful experience. We agree with OMB participants that the pilot test confirmed that USDA's program planning and budget development system is basically sound, though improvements can and should be made.

I personally share your views on the importance of applying more effectively the principles of management by objectives and management accountability for results. The recommendations contained in your report clearly support those principles.

However, as your report indicates, these general principles and basic concepts should be applied with discretion and flexibility and should be adapted to individual program circumstances. Line managers should determine their own needs for management information and should not be forced into a standard mold for the sake of uniformity. On this basis, and assuming the changes can be made in an orderly manner over a sufficient period of time to avoid disrupting on-going operations, we are in favor of proceeding with this approach.

The report also very wisely indicates the need for major changes in procedures and methods within OMB as an essential and complementary part of the recommended improvements throughout the Government. I agree that such changes are desirable, including streamlining the budgetary documents and settling down on a "single, stable system of OMB information requirements to replace existing PPB and appropriation budgeting requirements" as stated on page 3 of the report.

As you begin to bring about these desirable and necessary changes within OMB, I can assure you that the Department of Agriculture will be ready, willing, and able to undertake its part of the cooperative effort.

Sincerely,

A handwritten signature in dark ink, appearing to read "Clifford M. Hardin", written over a horizontal line.

CLIFFORD M. HARDIN  
Secretary



THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

January 29, 1971

Honorable George P. Shultz  
Director, Office of Management  
and Budget  
Washington, D. C. 20503

Dear George:

This is in reply to your letter of December 31, 1970, requesting my views on the recommendations of the joint McKinsey and Company and Office of Management and Budget study "Strengthening Program Planning, Budgeting and Management in the Federal Government." I have had several of my senior staff members, who worked with the study group during the pilot test phase in the Department, review the McKinsey report. A summary of their comments are attached.

I personally concur in the concepts and approach recommended in the study. More than a year ago we began adopting the entity program structure approach for budget formulation, management information reporting, and accounting support. Our appropriation and program structures are now integrated. A good deal of the progress we have made can be attributed to the insight we have received as a pilot agency in the McKinsey study.

While we have made progress, we are still a long way from achieving the objectives set forth in the McKinsey report, particularly in establishing and reporting against agreed-upon performance measures. Our ability to do so is intimately related to identifying meaningful and realistic program goals. Some of our bureaus have been successful in doing this; others have not. Some never will, by virtue of the character of their activities, be able to develop quantitative measures of their performance. We are continuing our work in this area and look to your staff for valuable assistance.

I agree that the implementation of the new budgeting and reporting system should move along as quickly as possible. We will do all we can to be ready as a Department in time for the FY 1973 budget. Our agencies are now beginning to prepare their 1973 budgets and we are adopting the concepts and formats described in the McKinsey study. However, there is an immediate need for more definitive instructions from OMB on the precise requirements. These should be issued as expeditiously as possible so that there will be a minimum of false starts and wasted effort which, for example, characterized the implementation of the Planning-Programming-Budgeting System (PPBS) in 1965.

2

It is also important we take every opportunity to reduce as much of the existing budget related requirements as possible. The implication of the McKinsey study is that much will be simplified. However, close scrutiny shows that most of the present Circular A-11 requirements remain intact. I ask for another review of the A-11 material to see whether more of its requirements can be eliminated or at least deferred until after the budget decisions are made.

Moreover, while the McKinsey study indicates that the rolling budget system will operate from data already contained in A-34 and other reports, we need to know quickly what changes in requirements will be necessary, in order to prepare ourselves to provide the input to the system. Last summer my staff was asked to comment on a draft version of Circular A-34 which, among other things, would have required apportionments to include selected output data, an area in which the McKinsey study is silent. Is this still OMB's intention?

As indicated earlier, we are moving ahead to the extent possible along the lines of the McKinsey study. Before we go much further we need more specific guidance from OMB on precise requirements for budget formulation and execution. I look forward to having your staff work with mine to achieve the objectives set forth in the report in the very near future.

Sincerely,

*Maurice H. Stans*

Secretary of Commerce

Attachment

Staff Comments on "Strengthening Program Planning, Budgeting, and Management in the Federal Government."

1. The McKinsey approach is sound and will provide a more useful tool for budget review than is presently available. The principles and practices of management through the proposed programming, budgeting and evaluation procedures have merit. With certain qualification the proposals can be applied for the 1973 budget cycle.
2. The resources required to implement the system are believed to be understated. However, substantially equivalent resources are currently being applied in the Department toward solution of these problems.
3. A long lead-time appears to be required to develop the reporting systems and related accounting support. The identification of performance standards for each building block should be developed on an evolutionary basis. Performance measures are one of the most important aspects of the new system and they must be carefully selected, with the emphasis on the quality, not quantity of measures. As experience is gained, additional or improved measures can be added.
4. There may be considerable expense in software and computer time to meet the more extensive reporting requirements of this system.
5. In building a goals-objectives system, it would be helpful to have national goals to which Departmental goals can be related.
6. Some guidance on the approximate number and type of goals appropriate would be helpful. For example, it is assumed that Departmental goals would be few in number and quite broad, while the bureaus' goals and objectives would be more numerous and more specific.
7. It is essential that the recommended procedures replace rather than duplicate existing procedures.
8. Procedures should be more explicit than in the past for consideration of alternatives and items contingent upon new legislation.

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

1 FEB 1971

Honorable George P. Shultz  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

This is in reply to your request for my reactions to the report submitted by McKinsey and Company on Strengthening Program Planning, Budgeting and Management in the Federal Government, with specific reference to the Manpower Administration. I endorse the overall objectives and major recommendations of the report--to rely upon a common system and process for purposes of budgeting, planning and internal management, and that such a system should conform principally to the needs of agency line management. I agree that identification of basic building blocks, common to the needs of each major purpose, represents a useful basis upon which to build such a structure. However, it may not be possible to develop a common system which permits accurate cross program comparisons.

With respect to the report on the Manpower Administration, I am also in substantial agreement with the overall principles and the major thrust of most recommendations. Therefore, this report should serve as a useful basis in adjusting our own internal planning, budgeting and management systems, and attendant information systems.

I believe that the "building blocks" identified in the report represent a useful beginning in achieving the broad principles outlined. However, the specific structure which we use will require further development. We are hampered somewhat by uncertainty surrounding efforts to decategorize manpower programs and decentralize their planning and management. Also, the likelihood of enactment of comprehensive manpower

2


legislation and the Family Assistance Program will further complicate these considerations.

I might also note that any system ultimately adopted must be flexible and subject to change as program emphases and policy considerations dictate. Moreover, certain aspects of the system are more readily adjusted than others. For instance, our internal management system is readily adjusted while typically appropriation structures are much more difficult to change. We anticipate, therefore, that while we constantly strive to maintain conformity among the various systems, as a practical matter, they will not coincide in all respects.

In implementing a system along the lines proposed in the report, I am pleased to note we have already taken an important and major step. This year we submitted our budget justification material on a basis consistent with the Manpower Special Analysis, which is one of the specific recommendations in the report. Moreover, we are currently reviewing the basis for our periodic internal management reviews of program progress, contemplating a structure compatible with our budget justification material.

As we continue to work towards an integrated program structure and management system in the Manpower Administration, we also intend to begin development of similar systems in the rest of the Department. I believe the principles outlined in the McKinsey study will be useful in this endeavor as well, and we welcome the opportunity to work with staff of OMB in the process.

Sincerely,



Secretary of Labor



Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-115398

February 19, 1971

Dear Mr. Shultz:

We appreciate the opportunity to comment upon the final report on Phase I of the OMB - McKinsey and Company pilot test of the proposed changes in OMB and agency administrative processes to strengthen planning, budgeting and management.

On February 4, Walter Haase of your staff and representatives of your consultants discussed the report with us and greatly aided our understanding of the recommendations and the proposed overall system concept.

We feel that the basic recommendations of the study are essentially sound. They seem to meet adequately the objective of integrating program budgeting with appropriation budgeting without an additional classification and crosswalks, and thus to respond to one of our principal comments on the April 1969 progress report. The study recommendations and the results of the pilot tests point the way to marked improvements over the current PPBS by placing more stress on the relationships of the successive management levels to agency objectives and goals.

We concur with the conclusion that there is a need to strengthen the capability for analyzing programs across agency lines in those areas where national goals are defined. This facet needs special effort if we are to fulfill the requirements of Section 202 of the Legislative Reorganization Act of 1970 which call for the establishment of standard classifications of Federal programs, activities, receipts, and expenditures. We believe that there must be an early development and establishment of the classification patterns at the OMB level consistent with the national goals and objectives; else there will be a failure (a) to provide the overall budget standard classifications contemplated by Section 202 of the Legislative Reorganization Act of 1970 and (b) to synchronize with individual agency goals and objectives and building block programs. In the latter case the necessary adjustments to bring them into later consonance may be very costly.

The potential merits of the study recommendations lie in (a) the more precise and practical identification of agency goals and objectives toward which successive levels of management can make trade-offs among competing requests on the basis of their priorities, (b) the closer linkage of goals, objectives and building block programs to the budget

activities of the appropriation structure and thus the minimization of the weaknesses in the present crossover techniques, (c) the emphasis upon the contributions and responsibilities of line management to the total system objectives, and (d) the recognition of the dependence of the building block program manager upon both operating program management and financial accounting systems.

We see, as does the report, the difficulties inherent in applying the concepts and procedures in areas with more nebulous or "soft" goals and objectives. In these areas, the identification of acceptable performance measurement standards will be more difficult. Additional pilot studies or even implementation of the previous pilot studies should prove helpful.

We are also interested in the attention given in the final report to the relationship of the financial accounting systems to the hierarchy of data aggregation in support of the building block program manager. It is our thought that in implementing or further expanding the system design more attention be given to the appropriate supportive roles of both program management and financial management at the intermediate and lower levels of line management to the building block program hierarchy. We see a direct relationship of this effort to our accounting system responsibilities.

Your further studies will undoubtedly suggest better explanations of the building block program concept with respect to organization lines and accountability and its use by line managers. The definition of a building block program standing alone is quite clear, but it is in their specific identification to sub-programs and description of their use that questions arise.

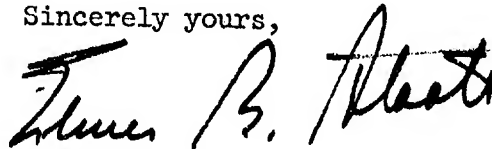
We would suggest that your further development work include the preparation of a complete glossary of terms to assist in the understanding of the hierarchy of organizational, data, and other conceptual relationships peculiar to these proposals.

We recognize, as does the report, that the Government-wide implementation of the system will take an extended period of time, be costly, and require a firm and continued commitment to its objectives. However, the requirements of Sections 201 and 202 of the Legislative Reorganization Act of 1970 for a standardized information and data processing system and standard classifications are not attainable without efforts similar to those suggested in the report. The full costs and benefits, as well as limitations, of the system will become more apparent as pilot tests are implemented and additional pilot tests instituted. The features of the system must necessarily be left flexible to accommodate to the disparate needs developed as the full concept of the system and its interrelated parts are brought into focus by extension to other agencies.

Under the Legislative Reorganization Act we are directed to cooperate with your Office and the Treasury in developing the standardized information and data processing system and standard classifications referred to above. As we see it, this responsibility will call for us to consider the needs of the Congress for budgetary and fiscal data in the design of the information system to be developed and its compatibility with Legislative Branch systems. We will therefore be doing additional work to identify the information needs of the Congress. We will also be cooperating with representatives of your Office and the Treasury as well as individual Executive Branch agencies in the design of the information and data processing system that will incorporate those needs.

As you may know, representatives of our Office having been working for some time with the Committee on House Administration in planning for the development of computer systems for the House of Representatives. As this work continues, we will undertake to synchronize it with the cooperative work with your Office and the Treasury in developing the standardized information system called for by the Legislative Reorganization Act.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James B. Alton". The signature is fluid and cursive, with the first name "James" and last name "Alton" clearly distinguishable.

Comptroller General  
of the United States

The Honorable George P. Shultz  
Director, Office of Management and Budget

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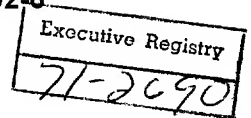
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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



BULLETIN NO. 71-10

May 5, 1971

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Control of year-end buying

1. Purpose. This Bulletin provides policy guidance and general instructions on year-end buying. Its objective is to prevent wasteful or extravagant practices that sometimes arise during the last 60 days of the fiscal year when the availability of unobligated funds happens to be greater than is necessary to carry out approved programs.

2. Policy. Government operations must be carried on in the most effective and economical manner possible. Care will be exercised at all times in the ordering and purchasing of goods and services, and special attention will be given at year-end to resist the temptation to use up available appropriations unnecessarily.

3. General instructions. The following general instructions will govern the incurrence of obligations by all executive departments and agencies for the remainder of this fiscal year:

a. Obligations for the fourth quarter of fiscal year 1971 will not exceed obligations for the third quarter, except where a higher level is fully justified to carry out a seasonal requirement or an essential program objective.

b. Orders for supplies, materials, and equipment for the balance of this fiscal year will be kept to the minimum required to meet approved program needs.

c. Purchases for inventory will be managed so that inventories are maintained at no higher than normal levels. Generally, it would be expected that the number of weeks of inventory supply at the end of the year would not exceed the average end-of-month inventory for the first three quarters of the fiscal year.

d. Additional purchase orders and contracts for goods or services (for delivery extending into the next

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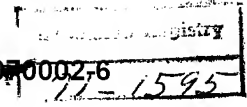
fiscal year) may be entered into in cases that provide a comparative cost advantage to the Government.

e. Employment will be held to the minimum necessary to accomplish the job, and must be kept within the end-of-year employment ceilings established for each agency.

4. Implementation. To assure compliance with these general instructions, the head of each department and agency will be responsible for the prompt issuance of implementing instructions to the contracting officers and other officials authorized to incur obligations.

Exceptions to the instructions in paragraph 3 may be made only upon determination by the agency head that the need therefor is fully justified as being in the best interests of the Government.

GEORGE P. SHULTZ  
Director



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OFFICE OF  
THE DIRECTOR

March 30, 1971

MEMORANDUM FOR THE HONORABLE RICHARD HELMS

Subject: Biographical Information on Kenneth  
Dam

Attached is biographical information about  
Mr. Kenneth W. Dam. We are now working with  
him as a possible Assistant Director of the  
OMB in the areas of National Security and  
International Affairs.

I will be calling your office in the hope you  
can see him -- possibly this coming Friday,  
April 2. I consider this a most important  
appointment and I would appreciate your help  
on it.

George P. Shultz

Attachment

OMB

71-1595/A

7 APR 1971

The Honorable George P. Shultz, Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear George:

I was pleased to receive Mr. Kenneth W. Dam this morning. Colonel White, my Executive Director-Comptroller, and I talked with him briefly, and we should be very pleased to work with him if he is appointed an Assistant Director in the areas of national security and international affairs. I suggested that, after he receives his security clearances, he might find it profitable to spend some time with us before assuming his new duties. He expressed an interest in doing this, and I certainly think it would be most worthwhile.

I assure you, as we have assured him, of our complete cooperation.

Sincerely,

/s/ Richard Helms

Richard Helms  
Director

LKW:blp

Distribution:

Original - Addressee

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OM/B

BIOGRAPHICAL INFORMATION

KENNETH W. DAM

Born:

August 10, 1932  
Marysville, Kansas

Education:

B.S. University of Kansas 1954  
J.D. University of Chicago Law School 1957 (First  
in class; Managing Editor of the Law Review)

Academic Experience:

University of Chicago, 1960 - present (Professor of  
Law since 1964)  
Visiting Professor, University of Freiburg i. Br.  
(Germany 1964)

Legal Experience:

Law Clerk, Mr. Justice Whittaker, U.S. Supreme Court,  
1957-58  
Associate, Cravath, Swaine & Moore, New York, 1958-60  
Consultant to Kirkland, Ellis, Hodson, Chaffetz &  
Masters, Chicago, 1961 to present

Books:

Federal Tax Treatment of Foreign Income (Brookings  
Institution 1964) (with Lawrence Krause)

The GATT: Law and International Economic Organization  
(University of Chicago Press, 1970)

Articles:

"Implementation of Import Quotas: The Case of Oil"  
(forthcoming in J. Law and Econ., April 1971)

"Consumer Protection: An Overview" (forthcoming in  
Antitrust L. J.)

"The Pricing of North Sea Gas in Britain,"  
13 J. Law and Econ. 1 (1970)

-2-

Articles (continued):

- "Corporate Takeovers and the Antitrust Laws,"  
25 Bus. Lawyer 735 (1970); 39 Antitrust L. J. (1970)
- "Fortner Enterprises v. United States Steel: 'Neither  
a Borrower, nor a Lender Be,' " 1969 Supreme Court  
Rev. 1
- "Exclusive Distributionships in the United States  
and the European Economic Community," in Ius Privatum  
Gentium, Festschrift for Max Rheinstein, Vol. II,  
p. 721 (1969)
- "Is the Colgate Doctrine Dead?" 37 Antitrust L. J.  
772 (1968)
- "Oil and Gas Licensing in the North Sea," 8 J. Law  
and Econ. 51 (1965)
- "The European Common Market in Agriculture," 67  
Columbia L. Rev. 209 (1967)
- "Trademarks, Price Discrimination and the Bureau of  
Customs," 57 Trademark Reporter 14 (1967),  
reprinted from 7 J. Law and Econ. 45 (1964)
- "Some International Constraints on Improved Export  
Earnings of Developing Countries: Tariff Preferences  
and the Cotton Textiles Agreement," in Development:  
International Law and Economics 107 (Vol. II,  
Proceedings of the International Society, Stanford  
School of Law, 1967)
- "The Economics and Law of Price Discrimination: Herein  
of Three Regulatory Schemes," 31 U. of Chicago L.  
Rev. 1 (1963)
- "Regional Economic Arrangements and the GATT: The  
Legacy of a Misconception," 30 U. of Chicago L.  
Rev. 615 (1963)

-3-

Special Interests and Activities:

1. I have a long-standing interest in economics and in empirical methods, which I have pursued not only in my research but also by formal study at the University of Chicago during a sabbatical year in 1969-70.
2. I have lived for extended periods in France, Germany and Belgium and am able to speak and write French and German fluently.

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Executive Registry

70-5828/19

1 DEC 1970

Mr. Dwight Ink  
Assistant Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Dwight:

In response to your letter of November 18,  
the Agency has no reorganization plans that merit  
submission to the Congress.

Sincerely,

*(s) L. K. White*

L. K. White  
Executive Director-Comptroller

EA/ExDir:BE:jrf

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Executive Registry

70-5828

November 18, 1970

Mr. Richard Helms  
Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Helms:

The Office of Management and Budget is currently reviewing reorganization proposals that the President may wish to transmit to the 92d Congress under the authority contained in Chapter 9 of Title 5 of the United States Code (Executive Reorganization), as amended by Public Law 91-5. This authority provides for the preparation and transmittal to the Congress of reorganization plans designed to improve the organization and management of agencies and functions of the Executive Branch of the Government.

Please advise this Office of any proposals you deem desirable for reorganization plan action by the President. You should also consider whether any measures contained in your legislative program could be effected more expeditiously by the reorganization plan procedure than by conventional legislation. Your recommendations should be forwarded to the Office of Management and Budget at the earliest practicable date, and preferably before December 4, 1970.

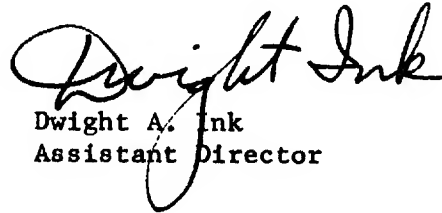
Under the reorganization statute five basic types of actions, termed "reorganizations," may be included in a reorganization plan. These are the (1) transfer, (2) consolidation, (3) coordination, or (4) abolition of the whole or any part of any agency or of the functions of any agency, and (5) authorization of any officer to delegate any of his functions.

In addition, several other types of actions by reorganization plan are authorized when incident to any of the five basic reorganizations. These incidental actions are (a) changing the name of an agency or the title of its head when made necessary by a reorganization, (b) providing for the appointment and compensation of officers made necessary by a reorganization, (c) providing for the transfer or other disposition of related personnel, property, and records, (d) providing for the transfer of unexpended balances of related appropriations and other funds, and (e) providing for terminating the affairs of an agency abolished by a reorganization plan.

- 2 -

Questions regarding this inquiry may be directed to Mr. Howard Schnoor, Director, Government Organization Branch, Organization and Management Systems Division, Code 103, extension 4934.

Sincerely,

A handwritten signature in cursive script, reading "Dwight Ink". The signature is written in dark ink and is positioned above the printed name and title.

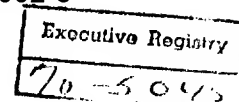
Dwight A. Ink  
Assistant Director

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**EXECUTIVE OFFICE OF THE PRESIDENT**  
**OFFICE OF MANAGEMENT AND BUDGET**  
WASHINGTON, D.C. 20503



OCT 2 1970

**MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES**

**Subject: Deposit Program for Minority Banks**

From the outset, this Administration has pledged itself to expanding the opportunities for minority business enterprises. A special focal point--the Office of Minority Business Enterprise--has been established in the Commerce Department to coordinate the government's activities in this field. Many departments and agencies are playing a part in this overall effort.

One area that we should not overlook is the vital role played by minority banks in this program. Minority banks are, by their very nature, small minority businesses. The majority of their customers are members of minority groups. Furthermore, these banks serve a useful function in the minority community in spreading the financial knowhow which is essential in any business enterprise.

Departments and agencies of government can and should help strengthen these minority banks by utilizing their services to a greater extent than has been the case up to now. Although some of these accounts may seem small in terms of total government operations and in terms of the total deposit structure of the banking industry, they are nevertheless meaningful accounts for developing minority institutions.

The purpose of this memorandum is to express to you the President's interest in seeing that this is done and to suggest that you instruct the constituent parts of your Department or Agency to increase their respective deposits of official funds in minority banks, where they determine that their servicing requirements can be met by minority banks without any appreciable increase in cost. By utilizing these minority institutions, government agencies can achieve a double impact with the use of federal funds--the agency can carry on its normal operations at little or no additional cost and more funds will be made available in minority communities.

EXECUTIVE OFFICE OF THE PRESIDENT

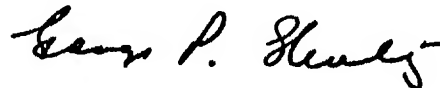
*Budget*

*Suspense due 15 October 1970*

-2-

Attached is a list of all known minority banks. If you or your staff offices wish more information about how deposits in minority banks can be and are to be increased, you should contact Under Secretary of the Treasury Charles Walker.

I know the President can count on your cooperation in helping to reach one of the important goals of this Administration: the strengthening of minority enterprise. Your participation in this particular effort will be of continuing interest to the President. I shall be in touch with you at a later time with a request for a report on action taken.



George P. Shultz  
Director

Attachment

ROSTER OF BANKS

CALIFORNIA: Los Angeles

Bank of Finance  
2651 South Western Avenue  
Los Angeles, 90018  
President: E. E. Tillmon  
Founded, 1964 (213) 735-1031

Pan American National Bank  
of East Los Angeles  
3626 East First Street  
Los Angeles  
President: Anthony Maxwell  
Founded, 1969 (213) 264-3310

FLORIDA: Miami

The Bank of Miami  
110 East Flagler Street  
Miami  
President: Amado Vina  
Founded, 1969 (305) 371-9081

GEORGIA: Atlanta

Citizens Trust Company  
212 Auburn Avenue, N. E.  
Atlanta  
Vice-President: R. O. Sutton  
Founded, 1921 (404) 525-3892

GEORGIA: Savannah

The Carver State Bank  
918 Montgomery Street  
Savannah, 31401  
President: L. D. Perry  
Founded, 1947 (912) 234-7752

ILLINOIS: Chicago

Seaway National Bank  
645 East 87th Street  
Chicago, 60619  
Vice-President: Richard Linyard  
Founded, 1965 (312) 487-4800

The Independence Bank of Chicago  
7936 South Cottage Grove Avenue  
Chicago, 60619  
President: David DeVries  
Founded, 1964 (312) 487-4700

KANSAS: Kansas City

Douglass State Bank  
1314 North 5th Street  
Kansas City, 66101  
President: H. W. Sewing  
Founded, 1947 (913) FI. 2-7060

MASSACHUSETTS: Roxbury

Unity Bank & Trust Company  
416 Warren Street  
Roxbury, 02119  
President: Donald E. Sneed  
Founded, 1968 (617) 445-0300

MICHIGAN: Detroit

First Independence National Bank  
234 State Street  
Detroit, 40226  
President: David Harper  
Founded, 1969 (313) 964-2350

MINNESOTA: Minneapolis

First Plymouth National Bank  
1723 South Plymouth Avenue  
Minneapolis  
President: John Warder  
Founded, 1969 (612) 521-2251

- 2 -

MISSOURI: Kansas City

Swope Parkway National Bank  
49th & Swope Parkway  
Kansas City, 64130  
President: L. C. Squires  
Founded, 1968 (816) UN. 1-4500

MISSOURI: St. Louis

Gateway National Bank  
Union at Palm  
St. Louis, 63115  
Executive Vice-President: I.O.  
Funderburg  
Founded, 1965 (314) EV. 9-3000

NEW YORK: New York City

Banco Credito y Ahorra Ponceno  
1 Union Square  
New York City, 10003  
Vice-President & Manager: Ivan  
Gizarry  
Founded, 1969 (212) 924-7070

Banco de Ponce  
164 East 116th Street  
New York City, 10029  
Senior Vice-President: Ugo Lisi  
(212) 831-2200

Popular de Puerto Rico  
10 West 48th Street  
New York City, 10036  
Regional Director: Luis Abudo  
Founded, 1961 (212) 757-1700

Freedom National Bank  
275 West 125th Street  
New York, New York 10027  
President: William R. Hudgins  
Founded, 1964 (212) 865-6400

NORTH CAROLINA: Durham

Mechanics & Farmers Bank  
110 West Parrish Street  
Durham, 27702  
President: John W. Wheeler  
Founded, 1921 (919) 682-9338

OREGON: Portland

Freedom Bank of Finance  
215 N. E. Killingsworth Street  
Portland, 97211  
President: V. F. Booker  
Founded, 1969 (503) 288-6571

SOUTH CAROLINA: Columbia

Victory Savings Bank  
919 Washington Street  
Columbia, 29201  
President: H. D. Monteith  
Founded, 1921 (803) 252-4059

TENNESSEE: Memphis

Tri State Bank of Memphis  
213 South Main Street  
Memphis, 38102  
Executive Vice-President: Jesse  
Turner  
Founded, 1946 (901) 527-8478

TENNESSEE: Nashville

Citizens Savings Bank & Trust Co.  
345 4th Avenue-North  
Nashville, 37219  
President: M. G. Ferguson  
Founded, 1904 (615) 256-7913

- 3 -

TEXAS: Houston

Riverside National Bank  
P. O. Box 8385  
Houston  
President: Dr. Carl M. Carroll, Jr.  
Founded, 1963 (713) 526-3971

VIRGINIA: Richmond

Consolidated Bank & Trust Co.  
First & Marshall Streets  
Richmond, 23219  
President: J. Jay Nickens  
Founded, 1903 (703) 643-9187

VIRGINIA: Danville

First State Bank  
Union & Spring Streets  
Danville, 24541  
Vice-President: L. Wilson York  
Founded, 1919 (703) 793-4611

WASHINGTON: Seattle

Liberty Bank of Seattle  
2320 E. Union Street  
Seattle, 98122  
President: James I. Burton  
Founded, 1968 (206) EA. 9-3434

WASHINGTON, D. C.

Industrial Bank of Washington  
4812 Georgia Avenue, N. W.  
Washington, D. C. 20011  
President: B. Doyle Mitchell  
Founded, 1934 (202) 291-5000

United Community National Bank  
3940 Minnesota Avenue, N. E.  
Washington, D. C. 20019  
Vice-President: Samuel L. Foggie  
Founded, 1964 (202) 396-1300

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FORM NO.  
1-67

**237**

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ER:

Please note 15 October 1970 suspense.

thanks,  
sfc

To: Heads of Depts & Agencies	70-5045
Fm: D/OMB	Dtd 2 Oct 70
Memo: Subj: Deposit Program for Minotirty Banks.	
SUSPENSE due 15 October 1970.	
FORM 7-58 44 USE PREVIOUS EDITIONS	ABSTRACT FILE SLIP (18)

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**Remarks:**

Please review the attached and recommend to ExDir what may be appropriate action and a reasonable response. Note in particular that Mr. Shultz will be asking for a report on action taken. ExDir has not seen.

cc: D/PPB for information

Suspense: 15 October

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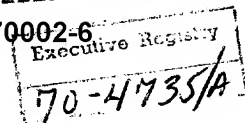
FORM NO. 1-67 237

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PPB 70-1885



28 SEP 1970

Mr. Arnold R. Weber  
Associate Director  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Weber:

Thank you for the opportunity to review and comment on the revised draft of Circular A-63, entitled "Management of Interagency Committees." We believe we can comply, as we have done in the past, with the main changes set forth; i. e., somewhat stronger requirements on committee management and an improved reporting format.

As you are aware, Agency information is sent to the International Programs Division, as is our report on Interagency Committees. This is a satisfactory arrangement and we should like to continue in this manner.

Sincerely,



L. K. White  
Executive Director-Comptroller

STAT

O/PPB [redacted] 1r (25 Sep 70)

Distribution:

O & 1 - Addressee *via O/PPB*

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## EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 8, 1970

Honorable Richard Helms  
Director  
Central Intelligence Agency  
Washington, D.C. 20505

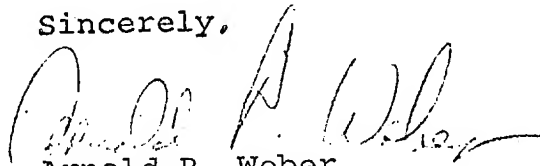
Dear Mr. Helms:

I am enclosing a substantially revised draft Circular No. A-63 entitled, "Management of Interagency Committees" for your review and comment. This revision is based on our experiences with the existing Circular during the past five years and the guidance which we have received from the President and the Congress.

This Circular contains our guidelines for establishing, using and terminating interagency committees. It also describes standards and criteria for developing your committee management program. Finally, this revision prescribes a new reporting system for our annual evaluation of interagency committee activity in the executive branch.

We have made an effort to simplify and clarify our committee management concepts and reporting requirements. Your comments would be appreciated and Howard Messner (Code 103-3644 or 3590) of our staff is available to discuss any questions which you might have regarding this Circular. Your suggestions for possible committee groupings for reporting purposes (as described in Section 3j of the Circular) would be particularly helpful in simplifying our reporting process. If you have comments they should be submitted by October 5, 1970.

Sincerely,



Arnold R. Weber  
Associate Director

Enclosure

EXECUTIVE REGISTRY FILE

*Suspense due 28 Sept 1970*

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<b>Remarks:</b>  <p>Please prepare an appropriate response. I am not sure whether other offices should be involved in the answer but will leave that to your discretion. Whom would you recommend to sign the answer to Weber? I would like to show Colonel White the Agency's proposed answer by 28 September.</p> <div style="border: 1px solid black; width: 150px; height: 60px; margin-left: auto; margin-right: auto;"></div>					
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FORM NO. 1-67

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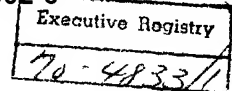
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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503



AR-70-1948

September 15, 1970

Honorable Richard Helms  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Helms:

For some time, budget planning and financial management efforts have been directed toward the proposed use of accrual figures in lieu of cash receipts and outlays in the measurement of budget results. On April 13, 1970, you were advised that a modified accrual basis would be necessary for the 1972 Budget, instead of the accrual basis outlined in our Bulletin No. 68-10 which had been the earlier goal. The specific requirements of our Circular No. A-11 were revised in June to implement that objective.

Some serious problems have arisen in connection with this conversion to a modified accrual basis, necessitating a reexamination of the matter. The reexamination has led to the conclusion that the conversion be postponed and that definite steps be taken to reassess the basis on which accrual data will be recorded and reported for future budget use.

Therefore, with the concurrence of the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Comptroller General, I am writing to inform you that:

1. Cash receipts and outlays will be restored as the measure of results for the 1972 Budget. Our Circular No. A-11 will be revised shortly to give your staff the detailed instructions for the form of the submissions.

2. Although more progress still needs to be made, Government-wide, to permit adoption of the accrual basis for the Budget, and although the Treasury's reporting of receipts and outlays will have to continue to be on a cash basis for the time being, the central financial operations in the Treasury's Bureau of Accounts, which have already been broadened to encompass accrual data in agency reports, will continue

(EXHIBIT COPY TO OMB)

2. Intensive efforts to improve the timeliness and completeness of information on performance under grant-in-aid programs and to take steps to achieve prompt billings of performance from subcontractors and grantees under grant-in-aid programs. This will involve information on cash disbursements by grantees, as well as information on costs incurred.

3. Immediate steps to improve the existing documentation of financial transactions of the accounting systems to serve both agency management requirements and central financial reporting in the measurement of budget results.

4. A prompt determination of the best method for the complete and timely recording of both inter- and intra-departmental receivables and payables in both measurement of budget results and in economic analysis.

5. A comprehensive study of the problem of providing constructive delivery information. This study will be conducted on a cooperative basis by the agencies significantly affected -- with leadership from the central financial agencies -- to develop and test ways in which the desired data can be produced in an economical manner.

It is the responsibility of the head of each agency to devise systems which will achieve the objectives of our Bulletin No. 68-10 to accomplish the roles for the use of accrued data as outlined herein. The central financial agencies will, of course, continue their active cooperative assistance with the agencies.

Your cooperation is solicited in achieving the ultimate goals in an orderly, useful, and credible manner.

Sincerely,



Director

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Executive Registry
70-4833

SEP 15 1970

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND  
INDEPENDENT AGENCIES

SUBJECT: Procedures for preparing the 1972 budget

Now that we are about to begin review of the 1972 budget estimates of the agencies, I want to bring to your attention some of the steps we are taking to improve and facilitate the budget process.

Under Reorganization Plan No. 2, a strengthened Office of Management and Budget has replaced the Bureau of the Budget. So far as the details of budget requirements are concerned, the circulars and other instructions issued by the Bureau of the Budget remain in effect until they are specifically superseded. However, we are making some changes in the final stages of the decision-making process.

The professional scrutiny and analysis of budget requirements will be conducted initially by our career staff. The process will be supervised by my Deputy Director, Caspar W. Weinberger, and by three policy level Assistant Directors (each of them having cognizance over the programs and budgets of particular agencies) -- James R. Schlesinger, Richard P. Nathan, and Donald Rice.

Your written budget requests are due this month. I urge that they be submitted promptly, to permit adherence to our extremely tight budget preparation schedule. Your budget submissions will be supplemented as necessary by informal oral hearings which will be conducted in the customary way by the career staff of the Office. In some cases these hearings will be attended by the Deputy Director and the appropriate policy level Assistant Director. The analyses and recommendations that result will be reviewed by Mr. Weinberger (and his policy level assistants) who will then

take them up with me. In consultation with the White House staff, Mr. Weinberger and I will lay the issues before the President and obtain his judgments thereon. At this point you will be advised informally of decisions as to amounts allowed your agency, and will be requested to adjust your budget schedules accordingly. These steps will be occurring almost daily during the next few months, rather than following the older practice of concentrating the Presidential review within a few days during the holiday season.

The 1972 budget ceiling numbers which are being given to the departments and larger agencies, together with the agency budget submissions, will provide a basis for keeping score as we go on the totals of the 1972 budget. Since an important function to be served by the review process is the integration of program priorities and fiscal policy, it is essential not only that the budget ceilings be observed, except where there are the most compelling reasons to seek adjustment, but also that agency budget submissions be complete from the very start of the process. By "complete" I mean that they must encompass all of the requirements which the agency has in mind, under existing legislation and under legislation now pending or to be proposed.

It is also most important that agency heads and their assistants observe the policy of avoiding any commitments to new programs and new legislation -- in public statements, in testimony before Congress, or in correspondence and meetings with special interest groups -- until after clearance through the regular budget and legislative review processes and inclusion in the Presidentially approved budget mark.

Finally, I want to point out that Circular No. A-10, issued by the Bureau of the Budget January 18, 1964, remains in full force and effect. You must insure that the confidential nature of the budget estimates is fully maintained until the President's 1972 budget is transmitted to the Congress in January 1971.

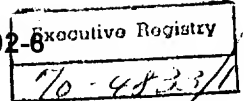


Director

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<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<b>Remarks:</b>  <p style="text-align: center;">Copies have been sent to Director/PPB, and D/Finance via DDS.</p>			
<b>FOLD HERE TO RETURN TO SENDER</b>			
FROM: NAME, ADDRESS AND PHONE NO.			DATE

Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6



September 15, 1970

Honorable Richard Helms  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

XR 70-1948  
51 B08

Dear Mr. Helms:

For some time, budget planning and financial management efforts have been directed toward the proposed use of accrual figures in lieu of cash receipts and outlays in the measurement of budget results. On April 13, 1970, you were advised that a modified accrual basis would be necessary for the 1972 Budget, instead of the accrual basis outlined in our Bulletin No. 68-10 which had been the earlier goal. The specific requirements of our Circular No. A-11 were revised in June to implement that objective.

Some serious problems have arisen in connection with this conversion to a modified accrual basis, necessitating a reexamination of the matter. The reexamination has led to the conclusion that the conversion be postponed and that definite steps be taken to reassess the basis on which accrual data will be recorded and reported for future budget use.

Therefore, with the concurrence of the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Comptroller General, I am writing to inform you that:

1. Cash receipts and outlays will be restored as the measure of results for the 1972 Budget. Our Circular No. A-11 will be revised shortly to give your staff the detailed instructions for the form of the submissions.

2. Although more progress still needs to be made, Government-wide, to permit adoption of the accrual basis for the Budget, and although the Treasury's reporting of receipts and outlays will have to continue to be on a cash basis for the time being, the central financial operations in the Treasury's Bureau of Accounts, which have already been broadened to encompass accrual data in agency reports, will continue

unabated. Further, the Treasury will expect the earliest possible compliance with the accrual principles outlined in Bulletin No. 68-10, with such amendments as may later be made.

3. Hence, each agency must continue its efforts to improve its accounting, consistent with the principles, standards, and related requirements prescribed by the Comptroller General.

4. We plan to convert the budget to an accrual basis as soon as reasonably reliable data can be obtained and their validity tested. The current objective is the 1973 Budget. Instructions will be issued subsequently as additional experience is gained.

5. The General Accounting Office, as its resources permit, will continue assisting the agencies in the development of their accounting systems and in central and internal reporting on an accrual basis.

The staffs of the other central financial agencies will continue to cooperate in these endeavors.

Pending further study, it is now anticipated that, for the 1973 Budget, exceptions can be made to the principles in Bulletin No. 68-10 in the following cases:

a. Performance under grants-in-aid programs may be measured on a cash instead of an accrual basis.

b. Constructive delivery accruals may be excluded from the accounts except as covered by requests for payments from contractors (including holdbacks).

To accomplish the above objectives, the Office of Management and Budget, the Treasury Department, and the General Accounting Office jointly will undertake an intensified program to resolve identified problems. More specifically, this program will include:

1. Accelerated efforts under the joint project undertaken by the Treasury and Commerce Departments to develop complete and appropriate information on corporate tax accruals for use in both measuring budget results and economic analysis.

2. Intensive efforts to improve the timeliness and completeness of information on performance under grant-in-aid programs and to take steps to achieve prompt billings of performance from subcontractors and grantees under grant-in-aid programs. This will involve information on cash disbursements by grantees, as well as information on costs incurred.

3. Immediate steps to improve the existing documentation of financial transactions of the accounting systems to serve both agency management requirements and central financial reporting in the measurement of budget results.

4. A prompt determination of the best method for the complete and timely recording of both inter- and intra-departmental receivables and payables in both measurement of budget results and in economic analysis.

5. A comprehensive study of the problem of providing constructive delivery information. This study will be conducted on a cooperative basis by the agencies significantly affected -- with leadership from the central financial agencies -- to develop and test ways in which the desired data can be produced in an economical manner.

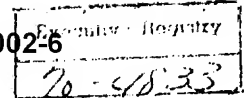
It is the responsibility of the head of each agency to devise systems which will achieve the objectives of our Bulletin No. 68-10 to accomplish the roles for the use of accrued data as outlined herein. The central financial agencies will, of course, continue their active cooperative assistance with the agencies.

Your cooperation is solicited in achieving the ultimate goals in an orderly, useful, and credible manner.

Sincerely,



Director



SEP 15 1970

**MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND  
INDEPENDENT AGENCIES**

**SUBJECT: Procedures for preparing the 1972 budget**

Now that we are about to begin review of the 1972 budget estimates of the agencies, I want to bring to your attention some of the steps we are taking to improve and facilitate the budget process.

Under Reorganization Plan No. 2, a strengthened Office of Management and Budget has replaced the Bureau of the Budget. So far as the details of budget requirements are concerned, the circulars and other instructions issued by the Bureau of the Budget remain in effect until they are specifically superseded. However, we are making some changes in the final stages of the decision-making process.

The professional scrutiny and analysis of budget requirements will be conducted initially by our career staff. The process will be supervised by my Deputy Director, Caspar W. Weinberger, and by three policy level Assistant Directors (each of them having cognizance over the programs and budgets of particular agencies) -- James R. Schlesinger, Richard P. Nathan, and Donald Rice.

Your written budget requests are due this month. I urge that they be submitted promptly, to permit adherence to our extremely tight budget preparation schedule. Your budget submissions will be supplemented as necessary by informal oral hearings which will be conducted in the customary way by the career staff of the Office. In some cases these hearings will be attended by the Deputy Director and the appropriate policy level Assistant Director. The analyses and recommendations that result will be reviewed by Mr. Weinberger (and his policy level assistants) who will then

take them up with me. In consultation with the White House staff, Mr. Weinberger and I will lay the issues before the President and obtain his judgments thereon. At this point you will be advised informally of decisions as to amounts allowed your agency, and will be requested to adjust your budget schedules accordingly. These steps will be occurring almost daily during the next few months, rather than following the older practice of concentrating the Presidential review within a few days during the holiday season.

The 1972 budget ceiling numbers which are being given to the departments and larger agencies, together with the agency budget submissions, will provide a basis for keeping score as we go on the totals of the 1972 budget. Since an important function to be served by the review process is the integration of program priorities and fiscal policy, it is essential not only that the budget ceilings be observed, except where there are the most compelling reasons to seek adjustment, but also that agency budget submissions be complete from the very start of the process. By "complete" I mean that they must encompass all of the requirements which the agency has in mind, under existing legislation and under legislation now pending or to be proposed.

It is also most important that agency heads and their assistants observe the policy of avoiding any commitments to new programs and new legislation -- in public statements, in testimony before Congress, or in correspondence and meetings with special interest groups -- until after clearance through the regular budget and legislative review processes and inclusion in the Presidentially approved budget mark.

Finally, I want to point out that Circular No. A-10, issued by the Bureau of the Budget January 18, 1964, remains in full force and effect. You must insure that the confidential nature of the budget estimates is fully maintained until the President's 1972 budget is transmitted to the Congress in January 1971.



Director

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FORM NO. 1-67

237

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STAT

OGC 70-1319

3 August 1970

The Honorable George P. Shultz  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

Mr. Helms has asked me to reply to your letter of 13 July 1970 transmitting a memorandum from the Chairman, Federal Council for Science and Technology, together with a proposed Presidential issuance and related material pertaining to Government policy.

We have carefully reviewed all the material submitted by you and feel that we have no constructive comment to make. We do want to express our appreciation for the many hours of dedicated effort contributed by the members of the Committee on Patent Policy of the Federal Council and for the continuing leadership and practical advice and guidance provided by the Council.

We suggest that the recommendation made to the President by the Chairman, Federal Council for Science and Technology, be adopted.

Sincerely,

s/

Lawrence R. Houston  
General Counsel

OGC:OEP:jeb

O-Addressee

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Approved For Release 2004/02/19 : CIA-RDP80B01086A000800070002-6

STAT

Executive Registry
70-3679/D

OGC 70-1319

3 August 1970

The Honorable George P. Shultz  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

Mr. Helms has asked me to reply to your letter of 13 July 1970 transmitting a memorandum from the Chairman, Federal Council for Science and Technology, together with a proposed Presidential issuance and related material pertaining to Government policy.

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s/

Lawrence R. Houston  
General Counsel

OGC:OEP:jeb

O-Addressee

1-EA/ExDir-Compt

1-OGC

2-OGC

w/basic

REGISTRY FILE

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Executive Registry
70-3679

July 13, 1970

Honorable Richard Helms  
Director, Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Helms:

The Chairman, Federal Council for Science and Technology, has submitted a memorandum to the President which transmits a recommendation of the Federal Council for Science and Technology that the President issue a revised Presidential Memorandum and Statement of Government Patent Policy.

A copy of the Chairman's transmittal is attached together with the proposed Presidential issuance and related material which are referred to in the Chairman's memorandum.

I would appreciate receiving your views with respect to this recommendation by August 10, 1970.

Sincerely,



George P. Shultz  
Director

Enclosure

EXECUTIVE REGISTRY FILE

*BOB*

*4 August*

*Suspense due 29 July 1970*

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Remarks:

For your review and preparation  
of response to OMB.

Suspense: *4 Aug 70*  
29 July 1970

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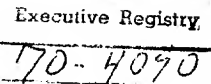
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on this. *4 Aug 70.*

thaks,  
sfc

To: DCI	70-3679
Fm: D/OMB/Shultz	Dtd 13 July 70

Ltr: Subj: Regarding memo to the Presidnet transmitting a recommendation of the Federal Council that the President issue a revised Presidential Memorandum and Statement of Government patent Policy.  
7/15/70: lcy w/att to OGC fm EA/ExDir/BE ntd "For your review and preparation of response to OMB." lcy to ER viaRB&J.

*4 Aug 70.*  
SUSPENSE due ~~29 JULY~~ 1970.  
FORM 7-58 44 USE PREVIOUS EDITIONS ABSTRACT FILE SLIP (18)



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

YR

July 29, 1970

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Subject: The Federal Management Improvement Conference 1970

The President, in Executive Order No. 11509 of February 11, 1970, establishing the President's Advisory Council on Management Improvement, stated that there is a need to "provide for an interchange of ideas with responsible operating officials throughout the executive branch on opportunities for management improvement and appropriate action to achieve such improvement." As one step in meeting this need, the Office of Management and Budget is sponsoring The Federal Management Improvement Conference to be held in Washington, D.C., on September 21-22, 1970.

We have obtained the services of many outstanding business and government leaders as speakers and panelists, and the enclosed tentative Conference agenda lists topics to be covered which are among the most pressing management concerns facing us today. As we have had to limit the total Conference attendance to 500 participants, each department and agency has been given an attendance allocation which is enclosed. A Shared Training Agreement to cover costs of Conference attendees is also enclosed.

This Conference is being oriented toward top level management personnel, both career and non-career, operating and staff, headquarters and field. Those selected to attend may expect to gain a much greater appreciation of the Administration's management philosophy and concerns. Attendees will be expected to disseminate their Conference experience among other management personnel in their agencies.

Please select your Conference attendees and return the enclosed Shared Training Agreement and attendance allocation by August 21, 1970. We will forward Conference registration materials directly to the individuals you designate to attend the Conference.

George P. Shultz  
Director

3 Enclosures

EXECUTIVE REGISTRY  
*Bureau of Budget*

AGENDA FOR THE  
FEDERAL MANAGEMENT IMPROVEMENT  
CONFERENCE 1970 AT THE  
STATLER HILTON, WASHINGTON, D.C.  
SEPTEMBER 21 and 22

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First Day - September 21

a.m.

8:45-9:00	Administrative Announcements	Dwight Ink Assistant Director Office of Management and Budget Conference Chairman
9:00-9:30	Welcoming Address	George Shultz Director Office of Management and Budget
9:30-11:00	Forum: The Management Demands of Tomorrow (A Frame of Reference)	John Young, Director, Economics, Science, and Technology Programs Division, Office of Management and Budget
11:00-11:15	Coffee Break	
11:15-12:15	Panels (Various)	Panel Chairmen

p.m.

12:30-2:00	Lunch	
	. Potentials for Management Improvement	Elmer Staats Comptroller General of the United States
2:15-4:15	Panels (Various)	Panel Chairmen
4:00-8:00	Reception	
8:00-10:00	Banquet	

AGENDA FOR THE  
FEDERAL MANAGEMENT IMPROVEMENT  
CONFERENCE 1970 AT THE  
STATLER HILTON, WASHINGTON, D.C.  
SEPTEMBER 21 and 22

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Second Day - September 22

a.m.

9:00-10:30	Forum: The Impact of Technology on Management	Dr. George Low Deputy Administrator, National Aeronautics and Space Adminis- tration Forum Chairman
10:30-10:45	Coffee Break	
10:45-12:15	Panels	Panel Chairmen
12:30-2:00	Lunch	
	(To be announced)	Luncheon Speaker
2:15-3:45	Panels	Panel Chairmen
3:45-4:00	Break	
4:00-5:30	Summations	Panel Chairmen

PANELS

September 21  
11:15-12:15; 2:15-4:15

Day and Time

September 22  
10:45-12:15; 2:15-3:45

Panel  
Number

Panel  
Chairman

Panel  
Subject

1

Anthony Ingrassia  
Director, Office of  
Labor Management  
Relations  
Civil Service Commission

Improving Labor-Management  
Relations in Government

2

Alan Dean  
Assistant Secretary for  
Administration  
Department of  
Transportation

Applying the Systems  
Approach to Management

3

Frederic Malek  
Deputy Under Secretary  
Department of Health,  
Education and Welfare

Attacking the Critical  
Management Problems

4

Hugh Witt, Deputy for  
Supply and Maintenance  
Office of the Secretary  
of the Air Force  
Department of Defense

Establishing Goals and  
Measuring Effectiveness

5

Kenneth Kugel  
Office of Management  
and Budget

Improving the Delivery of  
Government Services to the  
Public

6

Ned Bayley  
Director of Science  
and Education  
Department of Agriculture

Bridging the Communications  
Gap

September 21  
11:15-12:15; 2:15-4:15

Day and Time

September 22  
10:45-12:15; 2:15-3:45

Panel  
Number

Panel  
Chairman

Panel  
Subject

7	John Abbadassa Comptroller Atomic Energy Commission	Evaluating Agency Management
8	C. S. Mason Assistant Comptroller American Telephone and Telegraph	Making Management Decisions Financially Meaningful
9	J. Clarence Davies Council on Environmental Quality	Improving the Management of Environmental Programs
10	J. Kenneth Mulligan Director Bureau of Training Civil Service Commission	Increasing Effectiveness Through Management of Human Resources

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70-1948

BUREAU OF THE BUDGET  
WASHINGTON, D.C. 20502

April 13, 1970

Honorable Richard Helms  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Helms:

On March 10, 1969, the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, the Comptroller General and I wrote to the head of each Federal agency concerning the conversion of the budget and compilation reports of the Treasury from a cash to an accrual basis. We attached a copy of the President's announcement of February 22, 1969, that the 1972 budget would be presented on the basis of accrued revenues and expenditures.

The trial period of agency reporting to Treasury on the accrual basis, and the Treasury compilation of unpublished data on that basis, has been assessed by those of us who issued the March 10, 1969 announcement. Although there have been problems during this period, we have concluded that we can and must move toward the use of accrual data in lieu of cash data in the 1972 budget.

It is essential that each agency complete promptly any remaining steps needed to achieve readiness for this conversion.

Revision of our Circular No. A-11 to be issued soon will provide your staff with the detailed formal instructions for the forthcoming budget. A little later we expect to revise our Circular No. A-34 to bring reports on budget execution into line with the new concepts. The Treasury Department will adjust its reporting requirements from time to time as experience indicates.

Three problem areas are still a source of difficulty in obtaining full accrual figures. These areas are: (a) accrual of certain tax revenues, (b) performance under grants-in-aid to, and contracts with, State governments, local

EXECUTIVE REGISTRY FILE  
BOB

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governments, and institutions, and (c) constructive delivery in the case of procurement to the Government's special order. These areas all require reliance on source data from outside the Government for either current reports or for validation of statistical estimates.

Therefore, the figures in the 1972 budget will be on a modified accrual basis, the modifications being as follows:

- ° Budget revenues ("governmental receipts") will remain on a cash basis.
- ° Grant-in-aid expenditures will remain on a cash basis. Unless otherwise specified, the coverage of this modification is that of Table O-8 in Special Analyses , Budget of the United States, 1971.
- ° Where accrual data for constructive delivery on procurement of made-to-order items are not available, or are only partially available, the expenditures for such items will not be on the full accrual basis, but will reflect as much of the accruals as is practicable.

Agencies which are experiencing difficulties in achieving acceptable standards of reliability and timeliness in the constructive delivery area (beyond the customary documentation of work in place on construction contracts, progress payments, holdbacks, etc.) may delay to another year the accounting and reporting of such data for selected areas of operation (e.g., appropriations or portions of appropriations) or selected types of transactions (e.g., subcontractor performance), where necessary. The specific approval of this office for such deferments should be obtained in advance of the budget submission through the transmittal of a timely, written request and explanation of circumstances (not later than June 30, 1970), in the established method of seeking exceptions under our Circular No. A-11. Understandings reached orally in the course of previous discussions of these problems are not to be considered valid without written confirmation.

Each agency should concentrate upon the improvement of the reliability and timeliness of all reported accrual data to be used in the "1970 actual" column of the budget, as well as on means of estimating accurately the accrual data for the "1971 estimate" and "1972 estimate" columns.

Where the inclusion of accruals in the accounting and reporting is deferred in the budget revenues, grants-in-aid, or constructive delivery areas, the agency should first concentrate on seeing that all of the non-deferred aspects of its accrual system are made to function properly, and then continue its efforts to achieve acceptable methods of accounting and reporting for the deferred areas. The objective shall be to attain the "full accrual" basis at an early time and obviate the need for modifications and exceptions beyond the 1972 budget, if possible. Where deferrals are granted, agencies will be asked to report periodically on the progress they make toward reaching acceptable standards for the deferred portion of the work.

The reported accrual data should have firm accounting support. Accrual data should not be entered in the accounting system until they have attained reliability and integrity, but should become a part of the agency's accounting system as soon as reliability and integrity are attained, and not be merely memorandum information for reporting purposes.

It is important that we attain an acceptable confidence level appropriate to all data entering the new system in conformance with the announced concepts and definitions, subject only to the terms of the general modifications announced herein and the specific waivers that may hereafter be granted. In order to achieve this goal, I urge the head of each agency to see that his accounting and reporting systems are properly designed and implemented and that his internal review systems (including internal audit) can be relied upon to provide assurance that the accrual reports are being accurately prepared and submitted to the Treasury on time.

Sincerely,



Robert P. Mayo  
Director

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1 April 1970

Mr. James M. Frey, Director  
International Programs Division  
Bureau of the Budget  
Washington, D. C. 20503

Dear Jim:

Congratulations on your appointment as  
Director, International Programs Division. We  
in CIA are delighted and look forward to working  
with you.

I understand you will be taking over on the  
sixth. I hope that you can reserve some time for  
us as soon as possible, and I will give you a ring  
next week to see what we can work out.

Sincerely,

(Signed) " RED "

L. K. White  
Executive Director-Comptroller

LKW:blp

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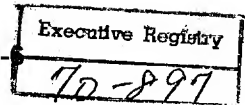
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BOB



EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D.C. 20503

FEB 16 1970

MEMORANDUM TO MEMBERS OF THE EXECUTIVE OFFICERS GROUP

SUBJECT: Redesign of jobs to make greater use of,  
and create greater opportunities for,  
subprofessionals

At the Executive Officers Group Conference at Charlottesville there was discussion of whether there were unduly high educational requirements for some Government employment, particularly in the public welfare field. Bernie Rosen forwarded a memorandum, a copy of which is attached, describing efforts being made in this area.

The members of the Executive Officers Group have an important responsibility for leadership in achieving effective manpower utilization. I believe Bernie's paper points out an effective means of meeting that responsibility.

Dwight A. Ink  
Assistant Director for  
Executive Management

Attachment

(EXECUTIVE OFFICE OF THE PRESIDENT) BOB

*Memorandum*

Subject: One item from Charlottesville Conference

Date: January 29, 1970

In Reply Refer To:

From: Bernard Rosen *BR*  
Deputy Executive Director

Your Reference:

To: Mr. Dwight A. Ink  
Assistant Director for  
Executive Management  
Bureau of the Budget

At the Charlottesville meeting of the Executive Officers' Group several members raised questions as to whether there are unduly high educational requirements for government employment, especially for occupations in the public welfare field. This is an important issue, particularly at this time, and I want to share some background with you.

The establishment of minimum educational requirements is something we look at very closely, both on its own merits and also because of the provisions of the Veterans Preference Act that they be established only where there is no other practical way of gaining the necessary knowledges. In general, educational requirements have been approved only for occupations in the physical sciences, life sciences, law, and some social sciences. This includes some occupations pertinent to the public welfare field - notably social workers, counseling psychologists, and other kinds of professional counselors. Even so, we are constantly searching for other avenues of occupational opportunity in these broad fields that would not require formal education as a minimum.

In public welfare, the professional occupations that exist usually have demanding educational requirements. Some of the work performed by these workers is highly professional, particularly in the areas of therapy, rehabilitation, and counseling. For this reason program managers, who are usually professionals themselves, have tended to structure their jobs in a way that demands highly professional qualifications. However, managers can choose to establish other types of jobs to handle the less demanding work that does not require extensive academic preparation, and thereby open career opportunities for persons with interest and motivation, but no professional education.

The solution lies not in lowering legitimately high standards, but in job redesign - extracting work from higher level jobs that can be performed by people at lower skill levels. The Commission has been encouraging this since 1966 through "Operation MUST." I am happy to

say that the idea is taking hold. To facilitate job redesign, we have created a number of support occupations (generally known as "aids" and "technicians") to take over the more routine aspects of work that have been performed by professional or administrative employees, but do not require professional training. In some cases these occupations provide career ladders that overlap those of the professional. A few of these occupations, such as engineering technician, have existed for many years. Others have been established more recently, e.g., management technician, personnel assistant, economics assistant, psychology technician, health aid, social service aid, and a number of others.

The broad field of public welfare is an illustration of what we have been striving to accomplish to assure lateral and upward mobility wherever that makes good management sense. For example, to support the highly-educated social worker or professional counselor we have created two other occupations - the Social Service Representative for which people can qualify either through any type of college education or through certain non-professional experience, and the Social Services Aid and Counseling Aid, for which people can qualify with varying amounts of education or simple experience, starting with none at the lowest entry level. These support occupations permit the program manager to staff his organization in a balanced manner, with the expectation that the non-professional workers will carry out a significant proportion of the contacts with individuals or groups served. As a footnote, such support workers often have personally experienced the problems and concerns of the individuals served, and therefore can communicate with them effectively.

The next issue of the Civil Service Journal will contain an article describing some of the uses to which agencies have put the concepts inherent in MUST, including the establishment of technician-type jobs. Here is an excerpt from that article concerning the use of "New Careers" trained indigenous Social Services Aids by the Department of Welfare, District of Columbia Government:

"The case aid program is new at the Department of Welfare, but indications are that it will continue to grow. (The supervisor) foresees the day when every trained social worker will be paired with a case aid. The Department is already enjoying the MUST benefits of the program. It has increased the time senior social workers can spend on counseling and supervision; it has improved operations and service to the public; and it has provided career opportunities for a talented but underutilized group of workers."

This example could be multiplied many times in a number of occupational areas. We will continue to have a number of occupations with relatively high qualification requirements, and necessarily so. But for every organization and occupational area, the machinery and techniques

exist for creating alternate occupational ladders, and for staffing jobs in these career ladders with employees of various skill levels. These alternate career ladders of technicians and other support jobs make good sense from the standpoint of efficient staff utilization and better career opportunities for persons without professional academic training. Thus, high educational requirements that have been established for certain professional occupations need not serve as a barrier to the employment and career advancement of persons with less education in related occupational categories.

While capable employees of the lower skill levels can advance in satisfying careers as technicians, many such employees can move up to the parent professional or administrative occupation. Where there are educational requirements this movement is facilitated by self-development, or by long-range training plans provided by some agencies whereby technicians can obtain the academic background required, largely at agency expense. This does not mean that all such employees can, or should, attain professional status. Most will probably stay in the technician career ladders, and not all will rise to the top of such ladders. The point is that the career opportunity is provided for those who have the capacity and will.

There are many flexibilities in the civil service system to meet problems in a practical way. Unfortunately, not all program managers know about them or if they do know, are sufficiently motivated to use them. We're particularly pleased that the Assistant Secretaries for Administration and other members of the Executive Officers' Group are a constructive influence for maximum use of the flexibilities in the personnel management system. If any member of the Executive Officers' Group learns of unwarranted barriers that are caused by Commission requirements, I hope he will let Nick Oganovic or me know immediately so we can do something about them.

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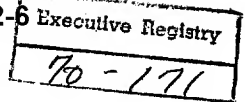
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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503



JAN 8 1970

Honorable Richard Helms  
Director of Central Intelligence  
Washington, D. C. 20505

Dear Mr. Helms:

On June 13, 1969, I sent you a report on proposed improvements to Federal budgetary decisionmaking processes and supporting information systems. This report was the result of a study conducted for the Bureau by a management consulting firm, McKinsey and Company, Inc.

In view of the significant implications of these recommendations, the report was widely circulated to obtain the counsel and suggestions of various departments and agencies, the General Accounting Office, as well as selected Congressional committees.

We appreciated your suggestions and recommendations as well as those of the other departments and agencies. In general, the responses strongly endorsed the basic objectives of integrating the newer PPB methods with the more traditional appropriation budgetary processes, but raised many questions on specific methodology for achieving this objective. The responses also strongly endorsed the notion of pilot testing the proposed concepts in selected departments in order to work out many of the detailed questions before irrevocably committing ourselves to a governmentwide course of action.

I have decided to proceed with the pilot test phase of this project and arrangements have just been completed with three departments to work with us in this important project. The three test areas which have been selected are the science and technology programs in the Department of Commerce, the manpower programs in the Department of Labor, and the rural housing programs in the Department of Agriculture. While most of the study effort will be focused within these three departments, we also expect to conduct a minimal review of closely related programs in other departments and agencies to identify cross-agency program relationships. We may be contacting your staff in this regard.

Since the basic processes and information systems involved in this study support planning, budgeting and execution management

functions at both the departmental and executive office level, as well as Congressional overview functions, I believe it is imperative that we proceed on this project with a fully participative approach and a mutual commitment to its objectives.

As we move through the pilot tests we will keep you informed of our progress and send you copies of pertinent reports for any comments or suggestions you may wish to make. If you or your staff have any questions on this project, please feel free to call Mr. Walter W. Haase, Director, Management Information Systems Staff, on 395-4745.

Sincerely,

(Signed) Robert P. Mayo  
Robert P. Mayo  
Director

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